

**The Commission has established the penalties for failure to purchase E&O insurance as follows:**

- If a licensee fails to renew an E & O policy prior to the expiration date, but renews on or before **30 days** from the expiration date, the licensee and the Principal Broker of the licensee must pay a civil penalty of **\$50.00**.
- If a licensee fails to renew an E & O policy prior to the expiration date, but renews on or before **60 days** from the expiration date, the licensee and the Principal Broker of the licensee must pay a civil penalty of **\$100.00**.
- If a licensee fails to renew an E & O policy prior to the expiration date, but renews on or before **90 days** from the expiration date, the licensee and the Principal Broker of the licensee must pay a civil penalty of **\$200.00**.
- If a licensee fails to renew an E & O policy prior to the expiration date, but renews on or before **120 days** from the expiration date, the licensee and the Principal Broker of the licensee must pay a civil penalty of **\$300.00**.
- The Principal Broker of any licensee who has failed to renew an E & O policy prior to the expiration date, may release the licensee during the first 120 days after such expiration date and no longer be responsible for the penalty. The released licensee shall remain responsible for his penalty amount.
- If a licensee has failed to renew an E & O policy for **more than 120** days after the expiration date, then the Commission will pursue **revocation** of that licensee's real estate license and the **Principal Broker** of the licensee must pay a civil penalty of **\$1000.00 per affiliated licensee** who has failed to renew for more than 120 days after policy expiration. Both the licensee and the Principal Broker must also attend a **two day meeting of the Tennessee Real Estate Commission**. At this point, the Principal Broker will remain liable for payment of the \$1000.00 per affiliate penalty even if the affiliated licensee is released.